Calendar No. 2085

84TH CONGRESS, 2d Session | SENATE | REPORT No. 2063

WAR ORPHANS' EDUCATIONAL ASSISTANCE ACT OF 1956

MAY 28 (legislative day, MAY 24), 1956—Ordered to be printed

Mr. LEHMAN, from the Committee on Labor and Public Welfare, submitted the following

REPORT

[To accompany H. R. 9824]

The Committee on Labor and Public Welfare, to whom was referred the bill (H. R. 9824) to establish an educational assistance program for children of servicemen who died as a result of a disability or disease incurred in line of duty during World War II or the Korean conflict, having considered the same, report favorably thereon with amendments, and recommend that the bill, as amended, do pass.

The amendments are as follows:

(*a*) Amend the title of the bill to read:

An act to establish an educational assistance program for children of servicemen who died as a result of a disability or disease incurred in line of duty during World War I, World War II, or the Korean conflict.

(*b*) On page 2, line 4, after the word "during" insert the words "World War I,".

(*c*) On page 2, line 5, strike out "II" and insert in lieu thereof "II,".

(*d*) On page 2, line 11, insert a new paragraph to read:

(1) The term "World War I" means the period beginning on April 6, 1917, and ending on November 11, 1918.

Renumber the following paragraphs accordingly.

(*e*) On page 2, line 22, after the word "during" insert the words "World War I,".

(*f*) On page 2, line 22, strike out "II" and insert in lieu thereof "II,".

(*g*) On page 24, line 2, after the word "payments", strike out the rest of the subsection and in lieu thereof insert:

of compensation or pension under any law administered by the Veterans' Administration based on the death of a parent to an eligible person over the age of eighteen by

reason of pursuing a course in an educational institution, or of increased rates, or additional amounts, of compensation or pension under any law administered by the Veterans' Administration because of such a person.

(*h*) On page 30, line 7, insert a new section 513 as follows:

APPROPRIATIONS

SEC. 513. The appropriations for the Veterans' Administration under the headings "General Operating Expenses" and "Readjustment Benefits" are hereby made available for expenditures necessary to carry out the provisions of this Act and there is hereby authorized to be appropriated such additional amounts as may be necessary to accomplish the purposes of this Act.

EXPLANATION OF AMENDMENTS

The first six amendments are for the purpose of conferring eligibility for the benefits of this bill upon those orphans, still within the required age limits, of World War I veterans who died as the result of a disease or injury attributable to their service during that war.

The seventh amendment is designed to avoid duplication of benefits and will bar receipt of payments under existing compensation or pension programs where payment is made for a child after 18 years of age because of school attendance. This amendment will cover the present or future laws on this subject and will not affect payments to or for a helpless child.

The eighth amendment is to provide assurance that if this bill is enacted into law toward the end of the session and at a time when it will not be feasible for the Veterans' Administration to obtain operating funds by means of a supplementary appropriation. It would permit the use of current Veterans' Administration appropriations for the purposes of this new benefit.

GENERAL EXPLANATION OF BILL

The purpose of this bill is to provide the opportunities for education to children whose education might otherwise be impeded or interrupted by reason of the death of parent from disease or injury incurred or aggravated in the Armed Forces during World War I, World War II, or the Korean conflict, and for the purpose of aiding such children in obtaining an educational status which they normally would have obtained but for the death of such parent.

The persons who are eligible are those who are the children of persons who died from a disease or injury incurred or aggravated in the Armed Forces during World War I, World War II, or the Korean conflict. The disability or injury must have been incurred or aggravated during official war periods as defined by the bill. However, death occurring at a later date qualifies children of a veteran provided the children fall within the prescribed age groups. In cases where death occurs after discharge, service must have terminated under honorable conditions.

UNIVERSITY OF MICHIGAN LIBRARIES

There are approximately 156,000 orphans covered by this bill. The average age of this group of children today is 10 to 14 years. The bill would entitle each child to 36 months of entitlement of education and training in an approved educational institution. The monetary benefits are the same as those provided for Korean veterans, which is $110 per month paid upon completion of a month of full-time training, $80 per month if pursued on a three-quarters time basis, and $50 per month if pursued on a half-time basis, upon certification of attendance by the eligible person and the educational institution.

Assistance under this bill can be furnished to an eligible person only during the period which begins on his 18th birthday or his successful completion of high school, whichever occurs first, and ends on his 23d birthday. There are exceptions to this rule in the case of eligible persons who are over 18 but under 23 on the effective date of this act, those who go into military service before age 23, and a few other situations which are explained in detail in the section-by-section analysis.

A child will be permitted to complete a semester or term where the term has expired in circumstances under which the person's individual deadline falls in the middle of a term. Any individual who has not reached his 23d birthday on the date of enactment of this act is entitled to the full benefits of the act.

Training will only be available in approved colleges, public and private vocational schools, business schools and other approved educational institutions.

Training will not be authorized in the following categories: On-the-job training, apprentice training, avocational courses, flight training except when pursued in an institution of higher learning for credit toward a degree, courses to be pursued by correspondence, radio, or television, training in foreign countries, training in institutions listed as subversive by the Attorney General, training in high-school level courses normally available at no cost to the individual.

In the bill there is a special restorative-type training in title IV which provides for special training to overcome or lessen the effects of a manifest physical or mental disability which would handicap the eligible person in pursuit of a program of education.

Estimated Age Distribution of Children

The Veterans' Administration submitted the following chart showing the estimated distribution of children by age on Korean conflict and World War II death compensation rolls as of September 30, 1955.

Estimated distribution of children by age on Korean conflict and World War II death compensation rolls as of Sept. 30, 1955

Individual age	Number of children		Individual age	Number of children	
	Korean conflict	World War II		Korean conflict	World War II
1	1,300	300	13	700	30,200
2	1,400	500	14	700	12,900
3	1,700	900	15	400	10,500
4	1,700	1,200	16	400	8,712
5	1,700	1,900	17	399	8,100
6	1,500	2,300	18	52	2,910
7	1,500	3,000	19	52	1,200
8	1,500	4,000	20	47	848
9	1,500	5,200	21 and over	15	272
10	1,400	6,200			
11	700	9,900	Total	19,365	132,542
12	700	21,500			

NOTE.—Available data on age of children on the death compensation rolls is limited to those children in cases involving not more than 2 children, or in cases involving 3 or more children to the age of the eldest and youngest child on the case.

A breakdown by age groups for World War I children was not available at the time of the committee action. However, the Veterans' Administration has advised that the total number of children on the World War I compensation rolls as of Sept. 30, 1955, was 4,272.

COST FOR WORLD WAR II AND KOREA

The Veterans' Administration estimates that the net direct benefit cost of the bill would approximate $222 million over the life of the program. The total cost would be spread over a period of many years and in any one year would not be expected to exceed $15 million. During the ensuing 5 fiscal years, the direct-benefit cost attributable to the bill is estimated to approximate $50 million.

The direct-benefit cost for the fiscal year 1957 would approximate $2 or $3 million, and the amount would increase during each successive fiscal year to approximately $15 million in the fiscal year of 1961.

An additional 4 or 5 percent of the direct-benefit cost is estimated to be needed for administrative expenses.

The overall cost of $222 million was reached by considering the fact that the gross direct-benefit cost of approximately $264 million would tend to be offset by the more than $42 million which probably would be expended under existing law by way of continued compensation for school attendance after the age of 18 years in the case of the proposed beneficiaries.

COST FOR WORLD WAR I

The Veterans' Administration estimates that the net direct benefit cost attributable to the World War I group will be less than 3 percent of the cost for children from World War II and the Korean conflict.

ENDORSEMENT OF BILL

While hearings were being conducted by the committee on this bill, the endorsement and passage of the bill were urged by the American Legion, the Veterans of Foreign Wars, Disabled American Veterans, AMVETS, the Gold Star Wives of America, the Jewish War Veterans of the United States of America, the Catholic War Veterans of the United States, and the American Veterans Committee.

UNIVERSITY OF MICHIGAN LIBRARIES

General Discussion of the Bill

The Committee on Labor and Public Welfare in approving this program is concerned mainly with the beneficiaries defined by the act, and only incidentally with any benefits which might flow to schools and others as a result of the enactment of this legislation. It is the objective of the legislation to provide substantial assistance to the eligible persons, as defined in the act, for the pursuit of a program of education or training; however, the committee recognized, in establishing the amount of educational assistance to be made available, that there is a considerable variation in the costs to an eligible person of his education, chiefly resulting from the personal selection of a program of education or training and an educational institution by the eligible person. The committee emphasizes that it is not the intention of this legislation to establish a program which completely subsidizes the cost of the eligible person's education or training program as well as his living costs. This legislation is designed as an aid program and it is expected that in many cases the eligible person or his parent or guardian will be required to make a contribution to the cost of his own education and training program. It is believed that the eligible person will maintain a greater interest in the use made of funds provided by this bill if he or his parent or guardian is required to make a small contribution from their own resources.

The committee, in approving this legislation, recognizes that unique problems present themselves in the administration of a program involving monetary benefits to individuals who in some instances have not reached their majority. The legislation was designed to recognize the parent of the eligible person as a partner in the educational plans of the eligible person; however, where impediments in family relations exist the Administrator of Veterans' Affairs is empowered to deal directly with the eligible person.

This legislation is patterned closely after the Veterans' Readjustment Assistance Act of 1952, and is identical in many of its provisions. It is the intention of the committee to utilize in the administration of this act, the administrative organization of the Veterans' Administration, the various State educational agencies, and the educational institutions of the Nation which are used in conjunction with the administration of Veterans' Readjustment Assistance Act of 1952 in an effort to minimize administrative problems.

Section-by-Section Explanation of the Bill

The first section of the bill provides that the act may be cited as the "War Orphans' Educational Assistance Act of 1956."

TITLE I—STATEMENT OF POLICY; DEFINITIONS

SECTION 101. STATEMENT OF POLICY

This section contains a congressional declaration that the educational assistance program established by the act is to provide opportunities for education to children whose education would otherwise be impeded or interrupted by reason of the death of a parent from a disease or injury incurred or aggravated in the Armed Forces during World War I, World War II, or the Korean conflict, and for the pur-

pose of aiding such children in attaining the educational status which they might normally have aspired to and obtained but for the death of such parent.

SECTION 102. DEFINITIONS

Under this section certain terms are defined for the purposes of the act as indicated below:

"World War I" is defined to mean the period beginning April 6, 1917, and ending on November 11, 1918. This period covers the beginning of World War I and the date of the armistice.

"World War II" is defined to mean the period beginning December 7, 1941, and ending on December 31, 1946. This period begins, of course, with Pearl Harbor, and ends on the day declared by the President to be the date of the ending of hostilities in that war.

"Korean conflict" is defined as the period beginning on June 27, 1950, and ending on January 31, 1955. These dates establish a period for determining eligibility comparable to that now contained in title II of the Veterans' Readjustment Assistance Act of 1952.

"Eligible person" is defined to indicate the basic qualifications which must be possessed by a person in order to be eligible for benefits under the act. These requirements are that the person be the child of a person who died as the result of a disease or disability incurred in service in line of duty during World War I, World War II, or the Korean conflict.

"Child" is defined to include adopted children and stepchildren, and illegitimate children of whom the deceased was the parent. This definition parallels comparable provisions of definitions used in other veterans' laws.

"Armed Forces" is defined in the same words as that term is defined in the Veterans' Readjustment Assistance Act of 1952, and is intended to receive a like interpretation.

"Duty with the Armed Forces" is defined to exclude duty with the Armed Forces which is intended to last for short periods only. The term is used only in section 203 with respect to the postponing of the date by which an eligible person who serves in the Armed Forces must complete his education and in that part of the section which prohibits a person from receiving benefits under this act while he is in the Armed Forces.

"Parent or guardian" is defined to include parents through adoption, certain fiduciaries, and certain other persons legally vested with the care of the eligible person.

"Program of education" means any curriculum or any combination of unit courses or subjects pursued at an educational institution, but only if such curriculum or combination of unit courses or subjects is generally accepted as necessary to fulfill the requirements for the attainment of a predetermined and identified educational, professional, or vocational objective. This definition is substantially like that contained in the Veterans' Readjustment Assistance Act of 1952, except that under this act single unit courses or subjects cannot themselves constitute the eligible person's program. This change is consistent with the provision in section 309 (c) which prohibits training under this act on a less than half-time basis. It should be noted that while the Administrator of Veterans' Affairs has the responsibility of determining whether a certain curriculum or combination of unit courses or subjects is generally accepted as necessary

UNIVERSITY OF MICHIGAN LIBRARIES

to fulfill the requirements for the attainment of a predetermined and identified educational, professional, or vocational objective, it is expected that he will, as he has under the Veterans' Readjustment Assistance Act of 1952, consult with State and Federal educational agencies and other qualified bodies in making these determinations.

"Educational institutions" is defined to include, generally speaking, all schools at the secondary-school level or above. It differs from the comparable definition in the Veterans' Readjustment Assistance Act of 1952 only in that schools below the secondary school level and correspondence schools are excluded.

The definitions of "State," "Administrator," and "special restorative training" are self-explanatory.

Subsection (b) provides that after an eligible person has reached his majority (and is under no legal disability) references in the act to his parent or guardian shall be deemed to be to him.

Subsection (c) provides that when this act requires some action to be taken by a parent or guardian (or with respect to a parent or guardian) the Administrator may designate some other person to take the action if to do so would be in the best interest of the eligible person, or if otherwise there would be delay or administrative difficulty. This provision is included in the act in recognition of the fact that though parents should normally have certain responsibilities with respect to the education of their children there are some occasions where distance, illness, indifference, and so forth, make it impossible for them to exercise such responsibility or unlikely they will do so.

TITLE II—ELIGIBILITY AND ENTITLEMENT

SECTION 201. ELIGIBILITY AND ENTITLEMENT GENERALLY

This section merely states that each eligible person shall be entitled to receive the educational assistance provided for in the act and subject to its terms.

SECTION 202. DURATION OF EDUCATIONAL ASSISTANCE

Eligible persons will receive educational assistance for not more than 36 months. The 36-month period will be reduced by any period of education and training received under the Veterans' Readjustment Assistance Act of 1952 or of vocational rehabilitation training received under Public 894, 81st Congress.

It is also provided that a comparable reduction will be made on account of periods of education received under this act in any entitlement the eligible person may have used under the Veterans' Readjustment Assistance Act of 1952. In the case of an eligible person entitled to education under this act and also to training under Public Law 894, 81st Congress this section requires the eligible person to elect which he will receive.

SECTION 203. PERIODS OF ELIGIBILITY

While an eligible person may be entitled to educational assistance for 36 months under this act, still that assistance can be furnished him only during the period which begins on his 18th birthday or his successful completion of high school, whichever occurs first, and ends on his 23d birthday.

It is felt necessary, however, to make certain exceptions to the above provisions:

(1) The eligible person may begin his education immediately after he passes the age of compulstory school attendance (even though he has not completed high school) if the Administrator determines it is in his best interest for him to do so.

(2) The period will be extended in certain limited cases to permit the eligible person to complete a period of instruction which is almost over.

(3) An extension is also granted in cases where the eligible person served on duty with the Armed Forces before his 23d birthday, or where the eligible person is between 18 and 23 years of age on the date this act becomes effective or on the date of death of the parent from whom he derives eligibility. In each of these cases the period will be extended for a sufficient period to give each eligible person a 5-year period within which to complete his education.

No education will be furnished an eligible person under this act if he has been dishonorably discharged from the Armed Forces or during periods he is in the Armed Forces.

SECTION 204. APPLICATION

In order for an eligible person to receive educational assistance under this act, his parent or guardian must submit an application on his behalf. After an application is filed the Administrator will either disapprove it or approve it tentatively. The Administrator will give his tentative approval to an application if he finds that the person on whose behalf it was submitted is an eligible person, as that term is defined in section 101.

SECTION 205. PROCESSING OF APPLICATIONS

After the Administrator has given his tentative approval to an application, the parent or guardian may request special restorative training. If the request is approved, further processing will be carried on under title IV. If the request is disapproved, or if the special restorative training is completed or discontinued, subsequent education will be under title III of this act.

TITLE III—PROGRAM OF EDUCATION

SECTION 301. DEVELOPMENT OF EDUCATIONAL PLAN

After an application is provisionally approved, the eligible person is afforded educational or vocational counseling to assist the parent or guardian and the person himself to select his educational, professional, or vocational objective and to develop his program of education. The parent or guardian will prepare an educational plan for the eligible person which will become a part of his application. It should be pointed out that, though receipt of the educational or vocational counseling referred to is a prerequisite for educational assistance under this act, the eligible person and his parent or guardian are under no obligation to accept any recommendations made in the course of such counseling.

UNIVERSITY OF MICHIGAN LIBRARIES

SECTION 302. FINAL APPROVAL OF APPLICATION

An application will be finally approved if (1) the preceding section has been complied with, (2) the proposed program of education constitutes a "program of education" as defined in the act, (3) it does not appear that the pursuit of the program would violate the act. There is also the requirement that the Administrator determine that the eligible person is not already qualified, by reason of previous education or training, for his educational, professional, or vocational objective. This requirement is similar to one contained in the Veterans' Readjustment Assistance Act of 1952.

SECTION 303. CHANGE OF PROGRAM

Generally the eligible persons under this act will be younger than Korean veterans eligible under the Veterans' Readjustment Assistance Act of 1952. Being younger, their interests and aptitudes in many cases will not have fully matured or stabilized. Accordingly, the policy governing changes of program under this act is slightly more liberal than is the case under the Veterans' Readjustment Assistance Act of 1952. Under this act the program of education of an eligible person may be changed two times but in each case the Administrator must find that the new program is suitable to his aptitudes, interests, and abilities. In the case of a change of program requested for an eligible person who has interrupted or failed to progress in his program because of his misconduct, neglect, or lack of application, such change will be approved only if there exists a reasonable likelihood, with respect to the program which the eligible person proposes to pursue, that there will not be a recurrence of such an interruption or failure to progress.

SECTION 304. DISAPPROVAL OF ENROLLMENT IN CERTAIN CASES

A provision of this section prevents eligible persons from pursuing avocational or recreational courses. This provision is like the similar provision in the Veterans' Readjustment Assistance Act of 1952.

Under this act no flight training will be given except when it is given by a college for credit toward a degree which the eligible person is seeking. In contrast to the Veterans' Readjustment Act of 1952, no accelerated payments will be made under this act for persons taking such flight training.

This act does not permit the following types of education or training:

(1) Apprentice or other training on the job.

(2) Institutional on-farm training.

(3) Courses to be pursued by correspondence, television, or radio.

(4) Courses at foreign schools.

This act is intended to provide educational assistance to eligible persons who have ended their secondary school training; consequently the act will not permit the enrollment of an eligible person in a course which is to be pursued as a part of his regular secondary school education. However, the act recognizes that some individuals will not graduate from high school and consequently it provides that educational assistance may be furnished such a person while he is pursuing

a specialized vocational course for the purpose of qualifying in a bona fide vocational objective. It is recognized that some courses are offered by public schools to students who are not regularly attending high school, which are also offered, in identical, or substantially similar form, to students regularly attending such schools. In those cases where an eligible person under this act seeks to utilize courses and facilities of the public high schools, it will be necessary for the Administrator to make a determination in each individual case whether the program of education selected by the eligible person is substantially the same course as that available to him in the public-school system at little or no cost, or whether it is, in fact, a specialized vocational course not normally considered part of the regular high-school curriculum of students seeking to graduate from high school. Therefore, in making determinations in each individual case, the Administrator may properly use as a test whether substantial tuition payments are required of the eligible person. It should be borne in mind that prohibiting an eligible person from obtaining the benefits of this act while enrolled in a secondary-school course normally available to regular secondary-school students does not deny the eligible person the benefits of this act, but assures that the entitlement to education provided by this act will not be dissipated on secondary-school courses available to the eligible person at little or no cost, and that such eligibility will be generally reserved for education and training either at the post-high-school level, or which will qualify him for a bona fide vocational objective.

SECTION 305. DISCONTINUANCE FOR UNSATISFACTORY PROGRESS

Assistance under this act will be furnished only while the conduct and progress of the eligible person are satisfactory. After payment of an allowance under this act has been discontinued, it may be resumed only where the cause for the discontinuance has been removed and the program of the eligible person is determined to be suitable to his aptitudes, interests, and abilities.

SECTION 306. PERIOD OF OPERATION FOR APPROVAL

This section, which is substantially the same as a comparable provision in the Veterans' Readjustment Assistance Act of 1952, limits the schools in which eligible persons may enroll to public or tax-supported schools and to private schools which have been in operation for 2 years or more.

SECTION 307. INSTITUTIONS LISTED BY THE ATTORNEY GENERAL

This act, like the Veterans' Readjustment Assistance Act of 1952, does not permit an eligible person to pursue a program under this act at an institution which the Attorney General has included in his listing of Communist, Fascist, or other subversive organizations.

SECTION 308. EDUCATIONAL ASSISTANCE ALLOWANCE

Under this act, while an eligible person is pursuing his program of education, he will receive an educational assistance allowance. Generally speaking the allowance will be paid for the period of his enroll-

UNIVERSITY OF MICHIGAN LIBRARIES

ment, but no allowance will be paid, in the case of a course offered by a college if the course leads to a standard college degree, for any period the eligible person is not pursuing his course in accordance with the regularly established policies and regulations of the school and with the requirements of this act, or, in the case of other courses, for any day of absence in excess of 30 in a 12-month period on days other than holidays. In this connection, the controlling distinction is that the course itself be of the type which is creditable toward a standard college degree and not whether the eligible person is himself seeking a degree.

This act, like the Veterans Readjustment Assistance Act of 1952, will require certifications of attendance from the eligible person and from the school.

SECTION 309. COMPUTATION OF EDUCATIONAL ASSISTANCE ALLOWANCE

Under this act, the educational assistance allowance of an eligible person pursuing a program of institutional courses will be $110 a month if pursued on a full-time basis, $80 per month if pursued on a three-quarter time basis, and $50 per month if pursued on a half-time basis.

The educational assistance allowance of an eligible person who is pursuing a full-time program of education which consists of institutional courses and alternate phases of training in a business or industrial establishment with the training of such establishment being strictly supplemental to the institutional portion, shall be $90 per month.

Under this act no allowance will be paid for education pursued on a less than half-time basis, or for a program like that referred to in the preceding paragraph pursued on a less than full-time basis.

SECTION 310. MEASUREMENT OF COURSES

The act prescribes standards similar to those contained in the Veterans' Readjustment Assistance Act of 1952 which are to be used in determining what constitutes a full-time course in certain cases. The section also authorizes the Administrator to define what will constitute full-time training in other cases, and what will constitute part-time training.

SECTION 311. OVERCHARGES BY EDUCATIONAL INSTITUTIONS

If an educational institution charges an eligible person tuition or fees higher than those charged other students, the Administrator may disapprove the institution for the enrollment of eligible persons not already enrolled. When an institution is disapproved for this reason either under this act or under the Veterans' Readjustment Assistance Act of 1952 it is disapproved for the purposes of both such acts.

SECTION 312. APPROVAL OF COURSES

An eligible person may receive the benefits of this act only while he is enrolled in an approved course at an educational institution. Under this act, a course will be considered approved if it is approved under the Veterans' Readjustment Assistance Act of 1952 and has

not been disapproved under that act. After the expiration of education and training under that act, approval of courses will be the responsibility of the Administrator, using the criteria contained in the Veterans' Readjustment Assistance Act of 1952; however, it is expected that the Administrator will continue to utilize State educational agencies, for approval purposes, where those educational agencies are willing to continue the obligation of approving schools and courses under this act.

SECTION 313. DISCONTINUANCE OF ALLOWANCES

The Administrator is given the power under this act, as he was under the Veterans' Readjustment Assistance Act of 1952, to discontinue paying the allowance to eligible persons while they are enrolled in courses which fail to meet the standards and criteria used in approving courses, or if the educational institution offering the course has violated this act or has failed to live up to its requirements.

TITLE IV—SPECIAL RESTORATIVE TRAINING

SECTION 401. PURPOSE OF SPECIAL RESTORATIVE TRAINING

Since some eligible persons are certain to be suffering from physical or mental disabilities which handicap them in the pursuit of their education, this act contains provision for suitable training of such persons, called special restorative training. Special restorative training is intended to provide training or retraining to restore or improve the individual's ability with respect to physical or mental functions in which he is handicapped and which are essential to the normal pursuit of education. It would include courses of training such as language retraining, speech and voice correction, speech retention or voice retention, speech (lip) reading, auditory training, braille reading and writing, training in ambulation, one-hand typewriting, left-hand or non-dominant-hand writing, personal adjustment training, and so forth. Special restorative training means a plan of training activities and does not mean medical care and treatment.

SECTION 402. ENTITLEMENT TO SPECIAL RESTORATIVE TRAINING

When the Administrator determines that an eligible person needs special restorative training, he will prescribe a course which is suitable to overcome or lessen the effects of the physical or mental disability. In prescribing this course the Administrator is given wide leeway to prescribe any sort of course which the person needs. However, the entitlement of the eligible person may not exceed that which he would have if he were not handicapped.

SECTION 403. SPECIAL TRAINING ALLOWANCE

A special training allowance is provided for persons receiving special restorative training. Normally this allowance will be the same as the educational assistance allowance—$110 per month. However, where the tuition and fees for the course exceed $35 per month the allowance may be increased, but in that event the eligible person's 36-month period of entitlement will be shortened proportionately.

UNIVERSITY OF MICHIGAN LIBRARIES

While a person is receiving a special training allowance, he will not be eligible to receive an educational assistance allowance.

In recognition of the unique problems which may be presented by these persons, the Administrator is authorized to determine what will constitute a full-time course on a person-by-person basis.

SECTION 404. SPECIAL ADMINISTRATIVE PROVISIONS

The Administrator is authorized to make special arrangements with schools or with others to provide such training arrangements as may be suitable and necessary. He is also empowered to make such rules and regulations as may be necessary to promote good conduct on the part of trainees.

This section provides the broad and flexible administrative powers the Administrator will need to successfully deal with the many special and diverse problems presented by handicapped persons.

TITLE V—MISCELLANEOUS PROVISIONS

SECTION 501. AUTHORITY AND DUTIES OF ADMINISTRATOR

The Administrator is granted authority to make necessary rules and regulations, and it is provided that payments under the act will be subject to audit and review in the General Accounting Office.

The Administrator is authorized to accept uncompensated services and to enter into contracts for necessary services in connection with the administration of the act.

Educational and vocational counseling plays an important part in the development of the program of eligible persons. The Administrator is authorized to provide this counseling, and he may, where the counseling is required under the act, bear the traveling expenses of the eligible person to and from the place of counseling.

No separate advisory committee is established under this act, but instead the Administrator is authorized to advise with the committee established in the Veterans' Readjustment Assistance Act of 1952.

The Administrator may use the facilities and services of other Federal agencies, but such agencies will be reimbursed for the cost to them of such use by the Administrator.

SECTION 502. NONDUPLICATION OF BENEFITS

The commencement of a program under this act will act as a bar to further payments by reason of the provisos in existing law which continue payments of compensation or pension after a person is 18 (but not beyond 21) where he is going to school.

No allowances will be paid under this act for periods during which the education of the eligible person is being paid for by the United States.

SECTION 503. CONTROL BY AGENCIES OF UNITED STATES

This section prevents any Federal interference with the administration of State, local, or private schools.

SECTION 504. CONFLICTING INTERESTS

Employees of the Veterans' Administration are forbidden to own any interest in, or to receive gifts or compensation from, schools operated for profit in which any eligible person is pursuing a course of education under this act. In special cases the Administrator is authorized to waive the application of this section.

SECTION 505. REPORTS BY INSTITUTIONS

The act requires schools to report enrollment, interruption, and termination of the education of eligible persons. The schools will be paid $1 per month per eligible person for performing this service.

SECTION 506. OVERPAYMENTS TO ELIGIBLE PERSONS

Where certain overpayments are made to eligible persons by reason of the negligence or false statements of a school, the amount overpaid will be recovered from the school, but will be repaid to the school if the overpayment is subsequently recovered from the eligible person. Naturally this section does not preclude the imposition of any civil or criminal action under this or any other act.

SECTION 507. EXAMINATION OF RECORDS

The school records and accounts of eligible persons are to be subject to inspection by duly authorized representatives of the Government.

SECTION 508. FALSE OR MISLEADING STATEMENTS

When eligible persons make false or misleading claims, the Administrator will cut off payments to them. When eligible persons or schools submit such claims, a report will be made to the Attorney General.

SECTION 509. CRIMINAL PENALTIES

This section makes it a felony to knowingly and willfully make false statements or claims, or to accept overpayments in certain cases.

SECTION 510. APPLICATION OF OTHER LAWS

Certain provisions of other laws will be for application under this act. These are—

Public Law 262, 74th Congress, relating to payments to mental incompetents and to persons under other legal disabilities and to nonassignability of payments and exemption thereof from taxation and claims of creditors.

Section 15 of Public Law 2, 73d Congress, making certain false statements and claims a crime and for forfeiture of veterans' benefits in such cases.

Paragraph V, part I, Veterans Regulation No. 2 (a), relating to payments of unpaid benefits after death.

Titles II and III of Public Law 844, 74th Congress, relating to agents and attorneys and to investigations, subpenas, etc.

UNIVERSITY OF MICHIGAN LIBRARIES

SECTION 511. WAIVER OF RECOVERY OF OVERPAYMENTS

The Administrator is authorized to waive recovery of overpayments from persons who are without fault and where the recovery would defeat the purpose of the act or would be against equity and good conscience.

SECTION 512. EFFECTIVE DATE

This act will take effect immediately but no allowances will be paid prior to the 1st day of the month beginning 3 months after its enactment.

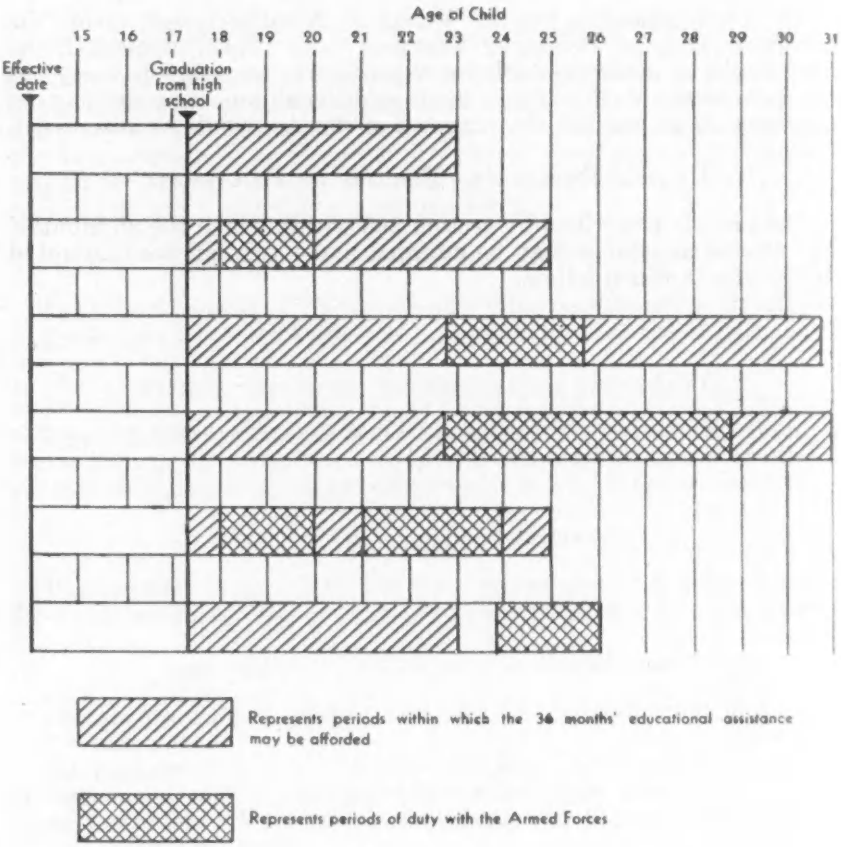
SECTION 513. APPROPRIATIONS

The appropriations for the Veterans' Administration under the headings "General Operating Expenses" and "Readjustment Benefits" would be made available for expenditures necessary to carry out the provisions of this Act. Such additional amounts as may be necessary to accomplish the purposes of this Act would be authorized.

Charts Explaining Periods of Eligibility

The periods prescribed by section 203 within which the 36 months' educational assistance may be afforded under this bill are illustrated by the charts which follow:

CHART I.—PERIODS OF ELIGIBILITY IN CASES OF ELIGIBLE PERSONS UNDER THE AGE OF 18 YEARS AND WHO HAVE NOT GRADUATED FROM HIGH SCHOOL BEFORE THE EFFECTIVE DATE OF THE ACT



UNIVERSITY OF MICHIGAN LIBRARIES

CHART II.—PERIODS OF ELIGIBILITY IN CASES OF ELIGIBLE PERSONS OVER THE AGE OF 18 YEARS AND WHO HAVE GRADUATED FROM HIGH SCHOOL BEFORE THE EFFECTIVE DATE OF THE ACT

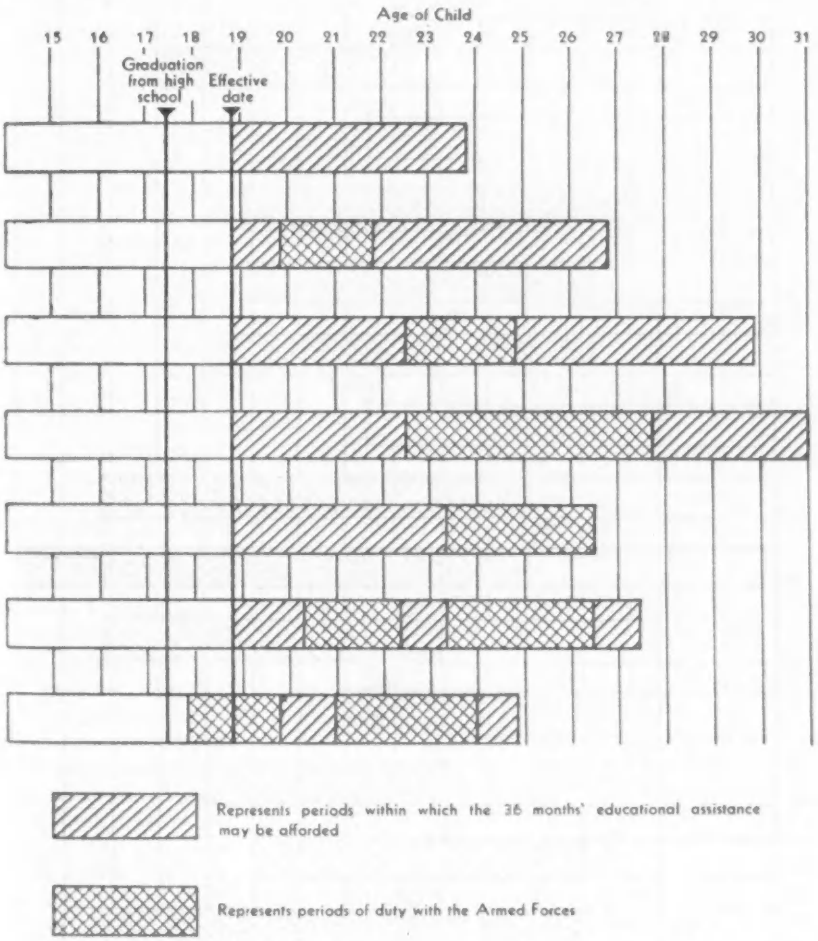
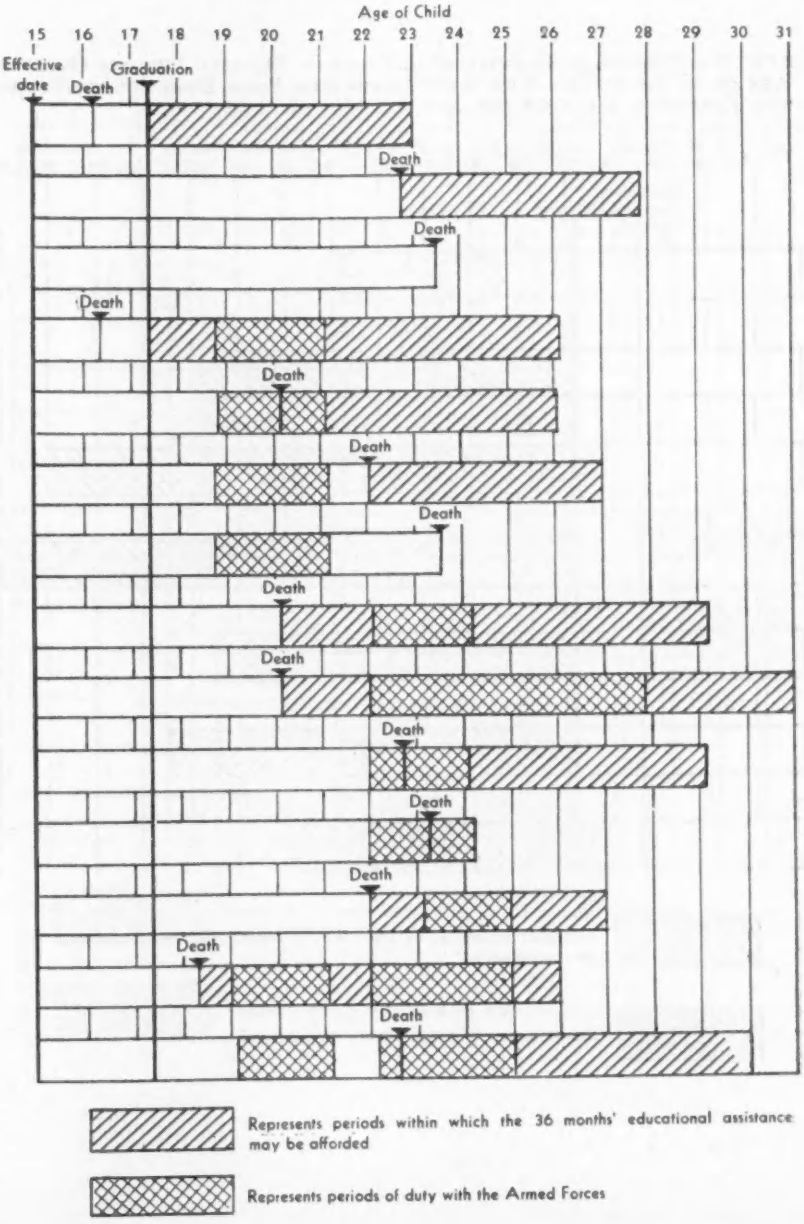


CHART III.—PERIODS OF ELIGIBILITY IN CASES OF CHILDREN NOT "ELIGIBLE PERSONS" UPON EFFECTIVE DATE OF ACT BUT WHO SUBSEQUENTLY BECOME ELIGIBLE PERSONS THROUGH DEATH OF A PARENT



UNIVERSITY OF MICHIGAN LIBRARIES

REPORT OF THE VETERANS' ADMINISTRATION

The report of the Veterans' Administration on the bill is as follows:

MAY 11, 1956.

Hon. LISTER HILL,
Chairman, Committee on Labor and Public Welfare,
United States Senate, Washington 25, D. C.

DEAR SENATOR HILL: This is with further reference to your request for a report by the Veterans' Administration with respect to H. R. 9824, 84th Congress, to establish an educational assistance program for children of servicemen who died as a result of a disability or disease incurred in line of duty during World War II or the Korean conflict, which passed the House of Representatives on April 23, 1956, with amendments.

The purpose of the bill, as expressed in the proposed statement of policy, would be to aid such children to attain the educational status which they might normally have aspired to and obtained but for the death of a parent. Basically, the bill would establish an educational assistance program, to be administered by the Veterans' Administration, for children of servicemen who died of a disease or injury incurred or aggravated in line of duty in the active service in the Armed Forces during World War II or the Korean conflict. The standards and criteria for determining incurrence or aggravation of a disease or injury in line of duty would be those applicable under disability compensation laws administered by the Veterans' Administration.

The educational assistance would consist of monetary benefits paid monthly to the parent or guardian of the eligible person pursuing (1) a "program of education" to aid nonhandicapped children to attain post secondary schooling leading to an educational, vocational, or professional objective, or (2) "special restorative training" to assist children with physical or mental disabilities that handicap them in the pursuit of normal educational programs in overcoming or lessening such handicaps. The rates of the allowances would be such as to permit a maximum total Federal benefit of $3,960, in the case of each eligible person.

It may be noted that the provisions of the bill relating to a program of education (title III) are similar in many respects to those applicable to educational and vocational assistance for veterans of the Korean conflict period established by title II of the Veterans' Readjustment Assistance Act of 1952, although there are a number of variances between the existing and the proposed programs as to details. On the other hand, the provisions relating to special restorative training (title IV) employ general language, and it seems obvious that it is intended that the Administrator be clothed with broad and flexible authority so as to permit consideration of the needs of the handicapped child upon a somewhat individualized basis. In general, the benefit would be available after graduation from high school or the attainment of 18 years of age, whichever is the earlier, and before the eligible person's 23d birthday. Exceptions to both minimum and maximum age limits would be established. A maximum of 36 months of full-time training or its equivalent in part-time training could be afforded to each child. No training could be afforded under the bill to an eligible person while on active duty in the Armed Forces; however, one of the exceptions to the maximum age limit

would permit training to be afforded for 5 years after discharge or release from service, but not later than the 31st birthday.

H. R. 9824, as introduced, was identical with and companion to S. 3431, 84th Congress, upon which the Veterans' Administration submitted a report to your committee under date of April 6, 1956. The amendments made in H. R. 9824 (1) broaden the class of proposed beneficiaries and (2) perfect the measure with respect to certain minor omissions and technical problems to which the Veterans' Administration alluded in its report on the companion measure.

Eligibility originally would have been confined to children of persons who die as a result of a disability incurred in combat or from an instrumentality of war during either of the specified periods. While it would appear that the phrase "in combat or from an instrumentality of war" was an attempt to limit this new type benefit to cases considered by the sponsors to be especially meritorious, the Veterans' Administration in its prior reports felt it necessary to point out that the language could be a source of great difficulty in reaching determinations as to basic eligibility. The liberalization in H. R. 9824, as amended in the House of Representatives, of the definition of the class of beneficiaries has substantial cost aspects. However, the concept of "service connected," which is the basis for the revised eligibility criterion, has the merit of being a more generally applied yardstick in veterans' law. Moreover, from a purely administrative standpoint it tends to minimize the adjudication problems by adopting the precedents applicable to the disability compensation program administered by this agency.

The committee will recall that heretofore the obligations of the Government to assist in the maintenance of dependents of these veterans whose deaths are connected with their military service have been sought to be fulfilled by a well-established program of monetary benefits, in the form of death compensation. Under existing law, death compensation for children of deceased World War II and Korean conflict veterans is ordinarily payable until the age of 18, but special provision is made for the continuation of compensation for children between the ages of 18 and 21 who are attending approved schools. Hence, Congress has extended a measure of preferred treatment to such children in assisting them to attain a finished education but such assistance has historically been furnished in the form of continued compensation at the same basic rates as those payable before the child reaches 18.

It is evident that the instant bill proposes a major extension of the obligation which the Federal Government has assumed to the children of deceased servicemen and would represent a sharp departure in the policy heretofore governing the grant of educational and rehabilitation benefits under laws administered by the Veterans' Administration. Vocational rehabilitation training and educational assistance were accorded on a basis personal to the veteran and established as temporary programs.

H. R. 9824 would extend the period for the administration of benefits of these types for many years. Under existing law the education and training program for veterans of the Korean conflict period will terminate January 31, 1965, and vocational rehabilitation training will come to an end not later than January 31, 1968. Under the terms of the instant proposal, children as yet unborn would be permitted

UNIVERSITY OF MICHIGAN LIBRARIES

to train until their 23d birthday, and under certain circumstances until after their 31st birthday.

Your committee will, undoubtedly, also consider the precedential effects of the measure. In past Congresses, bills have been introduced, although not reported, to extend an education and training benefit to unremarried widows of deceased veterans and to dependent children of veterans permanently and totally disabled as a result of their service. A bill of this latter character (H. R. 9832, 84th Cong.) has been introduced in the current Congress. It can be anticipated that enactment of the type of benefit proposed in H. R. 9824 would engender pressure for its extension to other classes.

There are two additional matters which warrant being brought to the attention of the committee since, under certain circumstances, they could assume major practical importance.

Section 502 (a) of H. R. 9824 is designed to avoid duplication of benefits and would bar the receipt of payments under the existing compensation or pension programs after 18 years of age because of school attendance once education or training was commenced under the bill. The language of this subsection is directed toward the specific provisions of existing law and, while presently adequate to accomplish the desired purpose, might be rendered partially ineffective by the enactment of either or both of two pending bills. These are H. R. 7089, to provide benefits for the survivors of servicemen and veterans, and for other purposes, and H. R. 10046, to simplify and make more nearly uniform the laws governing the payment of compensation for service-connected disability or death, and for other purposes, which passed the House of Representatives and are currently pending before the Senate Committee on Finance. Representatives of the Veterans' Administration will be available to work with your committee staff in resolving any problems which may materialize.

The second problem would arise if a new educational assistance program such as proposed by H. R. 9824 were to be enacted toward the end of the session and at a time when it would not be feasible for the Veterans' Administration to obtain operating funds by means of a supplementary appropriation. In that event, it would be desirable to include a section permitting use of current Veterans' Administration appropriations for the purposes of the new benefit. It will be recalled that such a situation developed with respect to the Veterans' Readjustment Assistance Act of 1952 and the Congress added section 274 to the act to avoid the problem. The following is an adaptation of section 274 of that act:

APPROPRIATIONS

"SEC. 513. The appropriations for the Veterans' Administration under the headings 'General Operating Expenses' and 'Readjustment Benefits' are hereby made available for expenditures necessary to carry out the provisions of this Act and there is hereby authorized to be appropriated such additional amounts as may be necessary to accomplish the purposes of this Act."

The question of whether a new educational benefit should be authorized to provide for surviving children of certain deceased servicemen is a matter which in the last analysis would appear to be for resolution by the Congress. The Administrator of Veterans'

Affairs, for his part, cannot recommend such a major departure from what has heretofore been considered sound policy with respect to the scope and nature of Federal assistance to the children of deceased veterans.

It is estimated that if two-thirds of the proposed beneficiaries train for an average of 24 months, the net direct benefit cost of H. R. 9824 would approximate $222 million over the life of the program. The total cost of the measure would be spread over a period of many years and in any one year would not be expected to exceed $15 million. During the ensuing 5 fiscal years, the direct-benefit cost attributable to the bill is estimated to approximate $50 million. The additional direct-benefit cost in fiscal year 1957 would approximate $2 or $3 million, and the amount would increase during each successive fiscal year to approximately $15 million in fiscal year 1961. An additional 4 or 5 percent of the direct-benefit cost is estimated to be needed for administrative expenses.

The $222 million estimate of net total cost was reached by considering the fact that the gross direct-benefit cost of approximately $264 million would tend to be offset by the more than $42 million which probably would be expended under existing law by way of continued compensation for school attendance after the age of 18 years in the case of the proposed beneficiaries.

Advice has been received from the Bureau of the Budget that there would be no objection to the presentation of this report to the committee and that, for the reasons stated therein, the Bureau strongly recommends against favorable consideration of this legislation.

Sincerely yours,

H. V. HIGLEY, *Administrator.*

○

UNIVERSITY OF MICHIGAN LIBRARIES